

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.00 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Sri M.Javid, Junior Accounts Officer (Retd.) – Imposition of punishment of withholding of Rs.3,300/- per month from his pension for a period of twenty four months (24 months) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 2050

Dated:16-05-2011

Read the following:-

1. DTA Charge Memo.No. K5/22856/2001-1, dt: 14-02-2004.
2. Defence Statement of Sri H.M.Javid, JAO,((Retd), dt: 03-03-2004.
3. G.O.Rt.No.4512, Finance (Admn.I.Vig) Dept, dt: 19-11-2008.
4. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
5. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dt.17-11-09.
6. DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with Representation of Sri H.M.Javid, JAO.,(Retd.) dt. 22-12-2009.
7. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003,dated:22-06-10.
8. Explanation of Sri H.M.Javid, Junior Accounts Officer, (Retd.), Dt.09-07-2010.
9. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 05-01-2011 addressed to Secretary, APPSC.
- 10.Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 14-03-2011.

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ORDER:

The Director of Treasuries and Accounts, in the reference 1st read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to

continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against Sri H.M.Javid, Junior Accounts Officer,(Retired) along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Sri H.M.Javid, the then Junior Accounts Officer, O/o APPO, Malakpet now retired as Junior Accounts Officer, vide DTA Charge Memo K5/22856/2001-1, dt.14-02-2004.

Sri H.M.Javid, Junior Accounts Officer, (Retd.), while working as Junior Accounts Officer, O/o APPO, Chandrayangutta has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.42,995/- to the exchequer.

Thus, Sri H.M.Javid, the then Junior Accounts Officer ,(Now Retd.), O/o APPO, Chandrayangutta by the above mentioned acts has exhibited lack of integrity devotion to duty and conduct unbecoming of a Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.

3. In his defence statement, while denying the article of charge framed against him he has requested to drop the charge on the following grounds as he is in no way responsible for these bogus payments of pension.:

He has stated that he was deputed to work in the office of the Asst. Pension Payment Officer, C-Gutta and he accordingly worked in that office as Junior Accounts Officer from 2-8-2001 to 18-02-2002 and later got himself relieved to go back to his original office, i.e., JD, PPO, Hyderabad. During his stay at that office an amount of Rs. 95,918/- was fraudulently paid to the bogus pensioners and out of which an amount of Rs. 42,995/- has been apportioned as his share holding him responsible for this irregular drawal of pension. It is seen from the statement enclosed to the charge memo that he initiated in the sheets for the months of October 2001 and Nov. 2001 in respect of 16 cases and he initiated in the sheets for the month of August 2001 in respect of 14 cases. There is no involvement of him either in getting the PPOs transferred from other branches/banks or in the process of initiation of fresh cases. Hence, there is no question of obtaining the DRs from any pensioner except to continue the payment of pension through the banks concerned. There was no occasion to see any of the pensioners during his tenure Viz., Aug. 2001, Oct. 2001 and Nov.2001. According to G.O.Ms.No. 213, Fin. & Plg. (FW.PSC) Dept., dt. 19-12-1997, pension shall be paid without waiting for Life Certificate etc., up to the end of December and the pension for the month of Jan. shall be stopped in the event of the non-receipt of Life Certificate etc. There is absolutely no mistake on his part in having arranged the payment of pension through the banks in respect of 16 persons mentioned in the sheet enclosed to the charge memo for the month of August 2001, Oct. 2001 and November 2001.

4. The defence of the charged officer that he had paid pension to bogus pensioners based on the life certificates is not at all tenable. It may not be possible to others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer is not satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services

(CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Sri H.M.Javid, Junior Accounts Officer, (Retd.), Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

6. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 4th read above. In the Enquiry the charge framed against Sri H.M.Javid, Junior Accounts Officer (Retd.) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri H.M.Javid, Junior Accounts Officer (Retd.) as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 5th cited.

7. Sri H.M.Javid, Junior Accounts Officer (Retd.) in his representation has stated that he do not belong to the office of the Asst. Pension Payment Officer, Chandrayanagutta at all and he was deputed to work for a very short period as a stop-gap arrangement in the interest of administration and he has no involvement in this case if the matter is viewed from all angles deserving exoneration of the Charge framed against him. Therefore, he has requested the Government to issue orders exonerating him from the charge framed against him so that the A.G. will release his pensionary benefits.

8. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has provisionally decided to impose a punishment of withholding of Rs.3,300/- from his pension for a period of 24 months and issued a final Show Cause Notice to him vide reference 7th read above.

9. According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."

10. Sri H.M.Javid, Junior Accounts Officer (Retd.) in his explanation to the Final Show cause notice dated 22-06-2010 has stated that there are no definite findings in his case that he violated the codal provisions. The Pension payment orders are expected to be in the personal custody of the Pension Disbursing Officer and the J.A.O. is not the custodian of the Pension Payment Orders. There was no scope for him to see that pensioners during the aforesaid period and the payments were just continued. Therefore, he has requested to issue orders **exonerating him from the charges framed against him.**

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions

contained under Sub Rules 64-87 under Rule 16 of the A.P. Treasury Code and the instructions thereon issued by the Government in payment of pensions. The charged Officer has stated that he had followed the orders issued in GOs 79 and 213. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. There is no such amendment in the orders issued. Hence, the respective codal provisions remain in force and needs to be followed. Due to non-exercise of checks fraudulent payment of pensions were occurred due to replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 and 213 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. **The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code.** Therefore, Government, provisionally decided to impose a punishment of withholding of Rs.3,300/- from his pension for a period of 24 months on Sri H.M.Javid, Junior Accounts Officer (Retd.) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri H.M.Javid, Junior Accounts Officer (Retd.) and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.3,300/- per month from pension for a period of 24 months on the Charged Officer Sri H.M.Javid, Junior Accounts Officer (Retd.).

13. Government accordingly, hereby order for imposition of a punishment of withholding Rs.3,300/- per month from pension for a period of 24 months on the Charged Officer Sri H.M.Javid, Junior Accounts Officer (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L.V.SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (FP)

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Accountant General, A.P., Hyderabad.

SF/SC

:: FORWARDED BY ORDER ::

SECTION OFFICER